

OFFICE OF GOVERNOR SCOTT WALKER STATE OF WISCONSIN

2018 STATE OF THE STATE ADDRESS: JOBS, WORKFORCE, ECONOMY, AND TOURISM FACT SHEET

And we announced the largest economic development project in state history.

• "When Foxconn Founder and CEO Terry Gou announced his company's planned \$10 billion investment in Southeastern Wisconsin by 2020 last week, it not only represented the state's largest-ever economic development project, but also one of the largest new greenfield investments ever made by a foreign-based company in U.S. history, based on jobs." ("Foxconn's Wisconsin Project: Largest Greenfield Foreign Investment in US History," <u>Business Facilities</u>, 8/1/2017)

More people are employed in Wisconsin than ever before in the history of our state.

• In December 2017, 3,075,000 Wisconsinites were employed, the most in Wisconsin history, according to the Local Area Unemployment Survey. (<u>Department of Workforce Development</u>, "BLS Data: Wisconsin's Private Sector Employment Reaches All-Time High, Unemployment Rate Drops to 3 Percent," December 2017)

And just last week, the Department of Workforce Development announced that the unemployment rate had dropped to 3.0 percent. The only other time it was that low was in May, June and July of 1999 - when Tommy Thompson was our Governor.

• The 3.0% unemployment rate in December 2017 is tied for the lowest in Wisconsin history. The last time the unemployment rate was this low was July 1999. (Department of Workforce Development, "BLS Data: Wisconsin's Private Sector Employment Reaches All-Time High, Unemployment Rate Drops to 3 Percent," December 2017)

Wisconsin is number one in cheese, cranberries, and ginseng. We are one of the top states for milk, corn, soybeans, beef, apples, cherries, potatoes, and vegetables. Agriculture is a big part of our economy, and for our farm families, it's more than that... It's a way of life. (Wisconsin Agricultural Statistics, Department of Agriculture, Trade, and Consumer Protection, 1/12/18)

Eight years ago, in January of 2010, the unemployment rate was 9.2 percent. Today, the unemployment rate is down to 3.0 percent. That is well below the national rate of 4.1 percent...

• The 3.0% unemployment rate in December 2017 is tied for the lowest in Wisconsin history. The last time the unemployment rate was this low was July 1999. (Department of Workforce Development, "BLS Data: Wisconsin's Private Sector Employment Reaches All-Time High, Unemployment Rate Drops to 3 Percent," December 2017)

More people are working than ever before...

• In December 2017, 3,075,000 Wisconsinites were employed, the most in history, according to the Local Area Unemployment Survey. (Bureau of Labor Statistics, Wisconsin Local Area Unemployment Survey, December 2017)

Today, according to the Annual Disability Statistics Compendium, we rank in the top ten states for hiring people with disabilities.

• According to the Annual Disability Statistics Compendium (<u>2016 Disability Statistics Annual Report</u>, Institute on Disability, January 2017)

The success rate for Project SEARCH in Wisconsin is 88 percent which makes it one of the best in the country.

 An average of 88% of Project SEARCH Graduates from Wisconsin were employed upon completion of the program. The national rate is 73%. (<u>Department of Workforce Development</u>, "Wisconsin Recognized as Disability Employment Leader at National Project SEARCH Conference," September 2017)

Eight years ago, there was just 1 program in the state. When school starts in fall, there will be 27. (Department of Workforce Development, "Wisconsin Recognized as Disability Employment Leader at National Project SEARCH Conference," September 2017)

Eight years ago, Governor Doyle had closed all eight of the visitor centers around the state.

• "According to the Wisconsin Department of Tourism, the state's <u>welcome centers</u> are open for business under Gov. Scott Walker. Walker's predecessor, Democrat Gov. Jim Doyle, had moved in 2009 to close eight state welcome centers as a budget-saving measure. During the 2010 gubernatorial campaign, Republican Walker promised to reopen them." (Tom Kertscher,"All Are Back in Operation," <u>politifact</u>, 12/19/12)

Today, we've seen a 35 percent increase in the economic impact of tourism. Our marketing focuses not on a slogan, but on the fun people have in Wisconsin.

- Tourism had a \$20 billion impact on the state's economy in 2016, up \$700 million, or 3.5% from \$19.3 billion in 2015. The total six-year growth of tourism activity is up more than \$5.2 billion, a 35% increase from \$14.8 billion.
- The Department's new marketing campaign took the Wisconsin brand of "real fun" to the next level with new TV commercials and online videos highlighting authentic travel experiences from real visitors to Wisconsin. (Travel Wisconsin, Accessed 1/8/18)

We partnered with local convention and visitor bureaus and chambers of commerce to open visitor centers all around the state. (2017 LFB Informational Papers, State Tourism Promotion, p.13)

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of Agriculture to the Wisconsin Economy: Updated for 2012," University of Wisconsin-Madison/Extension, September 2014)

- In 2010, Wisconsin exported a value of \$2.4 billion of agricultural exports.
 - In 2016, Wisconsin exported more than \$3.4 billion worth of agricultural products. This
 is an increase of 41%. (Export Statistics, <u>Department of Agriculture, Trade, and Consumer Protection</u>, Accessed 1/18/18)

Today, a report by UW Extension estimates that agriculture has an \$88 billion impact on the Wisconsin economy.

- In 2012, the UW-Extension's report on the Economic Impact of Wisconsin Agriculture estimates the agriculture economy generated \$88.3 billion, 413,500 jobs, and 11.9% of the states overall employment. (Steven Deller, "Contribution of Agriculture to the Wisconsin Economy: Updated for 2012," University of Wisconsin-Madison/Extension," September 2014)
 - This is an increase of \$29 billion or 49.3% (from \$59.2 billion), 59,509 jobs, and 1.9% of overall employment since 2007.

Eight years ago, according to Chief Executive Magazine, Wisconsin ranked 41st for business.

• Wisconsin ranked 41st best state for business according to Chief Executive Magazine in 2010 (Chief Executive Magazine, "Best & Worst States for Business)

Sadly, the state was consistently in the bottom ten for places to do business.

• Wisconsin ranked 43rd best state for business according to Chief Executive Magazine in 2009. (Chief Executive Magazine, "Best & Worst States for Business")

Today, for the first time in the history of the survey, Wisconsin ranks in the top ten states for business. (Chief Executive Magazine, "2017 Best & Worst States for Business)

That's why global businesses like Haribo and Foxconn are coming to Wisconsin. It is why Fleet Farm is expanding in Chippewa Falls, Generac is growing in Waukesha, U.S. Venture is expanding in Appleton, Kwik Trip is building in La Crosse, Great Lakes Cheese Company is adding jobs in Wausau, Ameriquip is growing in Kiel, IMark Molding is adding jobs in Woodville, and Oshkosh Corporation is expanding in (well, of course) Oshkosh.

• "...2017 was a record year for economic development with 59 companies from Wisconsin and around the world agreeing to locate to or expand in Wisconsin. These projects are expected to create or retain nearly 30,000 jobs and result in more than \$11.6 billion in capital investment across the state." (Wisconsin Economic Development Corporation, "Foxconn, Kwik Trip top list of state's largest economic development projects of 2017," January 2018)

And we're just getting started. Foxconn, for example, will begin construction this year on a \$10 billion campus. This will require 10,000 construction workers from all over the state. (Milwaukee Journal Sentinel, "8 Fast Facts on Foxconn's planned \$10 billion Investment in Wisconsin," 7/26/2017)

Earth movers from Hoffman Construction out of Black River Falls are already starting work on the infrastructure for this major project.

"A Black River Falls company was recently awarded a construction bid to rebuild the roads near
the future Foxconn facility in Racine County. Hoffman Construction Company won the bid for
the \$12.5 million road reconstruction project[...]Construction on the road will begin next week.
The president of Hoffman Construction said workers will clear trees and stumps before creating
drainage areas." (Mal Meyer, "Black River Falls Company to Begin Road Construction Near Foxconn,"
News8000.com, 1/5/2018)

Families, workers, and companies from across the state will benefit from one of the largest economic development projects in the history of America.

• "When Foxconn Founder and CEO Terry Gou announced his company's planned \$10 billion investment in Southeastern Wisconsin by 2020 last week, it not only represented the state's largest-ever economic development project, but also one of the largest new greenfield investments ever made by a foreign-based company in U.S. history, based on jobs." ("Foxconn's Wisconsin Project: Largest Greenfield Foreign Investment in US History," Business Facilities, 8/1/2017)

Once operational, Foxconn will spend roughly \$1.4 billion a year with Wisconsin businesses.

• "Foxconn is projected to spend \$1.4 billion annually with Wisconsin suppliers once its \$10 billion LCD manufacturing operation in Mount Pleasant is fully operational." (Arthur Thomas, "Foxconn exec seeks patience from potential Wisconsin suppliers," <u>BizTimes.com</u>, 11/29/2017)

To put that in perspective, Oshkosh Corporation, one of our great Wisconsin employers, who just won the coolest thing made in Wisconsin contest, they spend about \$300 million each year with Wisconsin companies.

• "Oshkosh Corp. is the state's largest federal defense contractor and pumped some \$300 million a year into 700 companies across Wisconsin that it did business with in 2015." (Nate Beck, "Things to know about Oshkosh Corp.'s HQ search at Lakeshore Municipal Golf Course," <u>USA Today</u>, September 25, 2017)

Today, I propose that we use the \$20 million designated in Act 58 [Foxconn legislation] to establish a new Wisconsin Career Creator program on campuses all over the state.

• "Gov. Scott Walker on Wednesday announced details of how the state would spend \$20 million allocated to workforce development in the special session legislation that cleared the way for Foxconn Technology Group to receive \$3 billion in incentives...The workforce plan – dubbed the Wisconsin Career Creator Plan and developed by the Department of Workforce Development – calls for the expansion of dual enrollment programs, providing scholarships for training and education, additional funding for the Wisconsin Technical College System and an upskilling initiative." (Arthur Thomas, "Walker outlines \$20 million workforce plan with money from Foxconn bill," BizTimes.com, 1/17/2018))

Years ago, brain drain was a problem.

• "...between 2008 and 2012, on average Wisconsin lost 14,000 college graduates per year, with most of those leaving between the ages of 21 and 29." (Shamane Mills, "Brain Drain' Continues As More Young Graduates Leave Wisconsin," Wisconsin Public Radio, 7/22/2014)

We also increased opportunities for people with physical and intellectual disabilities in the workforce.

• Project SEARCH expansion cited above

Plus, our budget included a major increase in funding for vocational training within our correctional system.

- The Governor's 2017-19 budget provided \$1 million in Fast Forward grants to build additional mobile classrooms for training inmates at correctional facilities to re-enter the workforce.

 (Legislative Fiscal Bureau, 2017-19 Wisconsin State Budget Comparative Summary, November 2017)
- The budget provided and increase of \$2 million over the biennium to expand the Windows to Work program and the Vocational Training program. (<u>Legislative Fiscal Bureau</u>, 2017-19 Wisconsin State Budget Comparative Summary, November 2017)

And we are aggressively working to get veterans into the workforce.

- Each year the Wisconsin Department of Veterans Affairs provides \$400,000 to organizations that provide entrepreneurship training, or technical, business or other assistance to veteran entrepreneurs. (<u>Entrepreneurship Grant Program</u>, <u>WI. Department of Veteran Affairs</u>, Accessed 1/19/18)
- The State of Wisconsin has been recognized as a national leader by the US Department of Labor and as a model for its efforts to provide a streamlined, noncompetitive appointment authority for hiring veterans with a service connected disability rating of 30% or more to fill classified service vacancies. (2017 Annual Report, Wisconsin Council on Veterans Employment, , Accessed 1/19/18)
- Wisconsin launched the nation's first streamlined, web based recruitment and hiring solution for veterans with a service connected disability rating of 30% or more. Once a veteran applies, their profile is available to DWD's Office of Veterans Services where they can get additional assistance. (2017 Annual Report, Wisconsin Council on Veterans Employment, Accessed 1/19/18)

With more people working than ever before, we cannot afford to have anyone on the sidelines.

• In December 2017, 3,075,000 Wisconsinites were employed, the most in history, according to the Local Area Unemployment Survey. (Bureau of Labor Statistics, Wisconsin Local Area Unemployment Survey, December 2017)

Since we started requiring employment and worker training, more than 25,000 people have gained employment. (Wisconsin Department of Health Services)

Each week, we typically have 80,000 to 100,000 job openings on our state website, jobcenterofwisconsin.com. (JobCenterofWisconsin.com, Accessed 1/19/2018)

We want able-bodied, working age adults to work at least 30 hours a week or enroll in job training to get assistance. We want to expand welfare reform statewide. And we want to ensure that everyone getting public assistance can pass a drug test. ("Wisconsin Works for Everyone", Office of the Governor, 1/18/18)

We recently announced major new investments in our ethnic chambers of commerce to help grow minority-owned small businesses.

• "Wisconsin is partnering with four of its minority chambers of commerce for a significant new financial commitment, Gov. Scott Walker announced Thursday...WEDC is awarding \$1.47 million to the four chambers, with the African American chamber getting \$400,000, the Hmong chamber receiving \$375,000 and the American Indian and Hispanic chambers being awarded \$350,000. The funds will support minority-centric initiatives such as business training workshops, financial awareness programs, assistance with securing financing, networking opportunities, and one-on-one mentoring, according to WEDC spokesman Mark Maley." (Patrick Leary, "Gov. Walker announces state partnership with four minority chambers," Milwaukee Business Journal, 12/14/17)

White space is the unused spectrum between broadcast television stations and it can deliver high-speed internet to underserved areas of Wisconsin. (Governor Walker Letter to FCC Chairman Pai, 7/6/17; Federal Communications Commission, "White Space," Accessed 1/18/18; Matt Day, "Microsoft Pushing for \$10B Effort to Bring Broadband Internet to Rural America," Seattle Times, 7/11/17)